

Message Text

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SUBJECT: REVIEW OF SOVIET ANNUAL PLAN AND BUDGET
STARTS EARLY

REF: 77 MOSCOW 15825

1. ON SEPTEMBER 1 THE USSR COUNCIL OF MINISTERS (CM) DISCUSSED DRAFTS OF THE 1979 ANNUAL ECONOMIC PLAN AND BUDGET. POLITBURO MEMBER AND CM CHAIRMAN KOSYGIN MADE A SPEECH AT THE SESSION AND CPSU CC SECRETARY YA. P. RYABOV (WHO IS ASSOCIATED WITH BREZHNEV'S PRESUMED HEIR-APPARENT KIRILENKO) TOOK PART IN THE SESSION.
2. IN REFERRING THE DRAFTS TO MINISTER, COMMITTEE CHAIRMEN AND BOARDS FOR EXAMINATION, THE COUNCIL LISTED MATTERS OF CURRENT CONCERN. THEY INCLUDE THE NEED TO RAISE THE EFFICIENCY AND QUALITY OF STATE SECTOR PRODUCTION, TO RAISE THE GROWTH RATES OF BOTH LABOR

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PRODUCTIVITY AND PROFITS, TO SAVE ON LABOR, MATERIAL AND FINANCIAL RESOURCES, AND TO MOBILIZE INTERNAL RESERVES (READ:EXISTING RESOURCES AND CAPACITY) IN ALL SECTORS OF THE ECONOMY.

3. THE PRESIDUM OF THE COUNCIL WAS INSTRUCTED FURTHER TO SCRUTINIZE THE DRAFTS AND PREPARE THEM FOR

CONFIRMATION. THIS EXAMINATION IS TO BE UNDERTAKEN TOGETHER WITH THE STATE PLANNING COMMITTEE, THE MINISTRY OF FINANCE, REPUBLIC CM CHAIRMEN, MINISTERS, STATE COMMITTEE CHAIRMEN AND LEADERS OF OTHER DEPARTMENTS OF THE USSR. ALSO TO BE ENLISTED IN THE PROCESS ARE SCIENTISTS AND WORKERS OF SCIENTIFIC RESEARCH ORGANIZATIONS. (THE LATTER MAY PERHAPS PROVIDE SOME ALTERNATIVE VIEWS TO THOSE PROPOSED BY THE OPERATING GOVERNMENT ORGANS.)

4. COMMENT: REVIEW OF THE DRAFT 1979 PLAN AND BUDGET TOOK PLACE ALMOST TWO MONTHS EARLIER THAN REVIEW OF THE 1978 DRAFTS, WHEN APPROVAL OCCURRED ONLY SIX WEEKS LATER AT THE SUPREME SOVIET SESSION IN MID-DECEMBER. ASSUMING THAT FINAL APPROVAL TAKES PLACE IN DECEMBER THIS YEAR, TOO - AS WOULD BE USUAL - THAT WOULD INDICATE A MORE LENGTHY REVIEW PROCESS THIS YEAR, PERHAPS AN OUT-GROWTH OF CONCERN ABOUT PROSPECTS FOR FULFILLING THE FIVE YEAR PLAN (FYP) AND SOME INTENSIFIED DEBATE ABOUT REMEDIAL MEASURES.

5. THE OBJECTIVES TO BE KEPT IN MIND THIS YEAR IN THE FURTHER SCRUTINIZING OF THE PLAN AND BUDGET DIFFER SLIGHTLY FROM THOSE OF LAST YEAR. WHILE THEY REFLECT NO IMPORTANT CHANGE IN SUBSTANCE, THEY GIVESPECIFIC EMPHASIS TO GROWTH OF PRODUCTIVITY. EFFICIENCY AND LIMITED OFFICIAL USE

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QUALITY - THE THEMES OF THE FYP - WERE MENTIONED AGAIN. RAISING GROWTH RATES OF LABOR PRODUCTIVITY AND PROFITS AND ECONOMIZING ON INPUTS ARE NEW GOALS, WHEREAS RATIONAL USE OF FUEL IS NOT SPECIFICALLY MENTIONED THIS TIME. IMPROVED USE OF CAPITAL INVESTMENT, ITS CONCENTRATION ON ON-GOING AND IMPORTANT PROJECTS, AND EXPEDITIOUS IMPLEMENTATION OF SCIENTIFIC-TECHNICAL ADVANCES ALSO WERE NOT MENTIONED THIS YEAR. YET THEY, LIKE FUEL CONSERVATION REMAIN IMPORTANT TARGETS FOR THE SOVIET ECONOMY IN THE COMING YEAR. PERHAPS ONE CAN DEDUCE THAT THESE GOALS ARE ALREADY ADEQUATELY COVERED BY THE PRESENT DRAFT PLAN AND BUDGET AND THAT, THEREFORE, THE OTHER GOALS MENTIONED THIS YEAR ARE THE ONES CURRENTLY BEING GIVEN IMPORTANCE DURING THE REVIEW PROCESS. TOON

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